

House Resources Committee Deficit Reduction Package

Does the updating the 1872 Mining Law mean putting 5.7 million acres of federal land on the market?

Chairman Pombo says “No way,” and so does the nonpartisan Congressional Budget Office (CBO), the federal office that determines the financial value of our laws. CBO is independent of political affiliations, Chairman Pombo and the Resources Committee.

If the mining amendments really did make it feasible to sell 5.7 million acres of public land, CBO would have estimated the mining amendments financial value at \$5.7 billion, at least. But the nonpartisan CBO is smarter than that and the office legal experts and number crunchers said this law would only bring in \$1.58 million for the federal Treasury.

In reality, 360,000 acres at most have met the stringent environmental and mining requirements under this bill, according to Department of Interior agency numbers, and most likely only one-third of that land would be actually purchased. There is no way this bill could bring in percent \$5.7 million or sell off 5.7 million acres of public land.

CBO Score on the Resources Committee Mining Provision:



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 31, 2005

Reconciliation Recommendations of the House Committee on Resources

As approved by the House Committee on Resources on October 26, 2005

Mining on Federal Land

The legislation would make several changes to current law related to mining on federal land. Based on information from DOI and industry sources, CBO estimates that enacting those amendments would increase gross receipts by \$11 million in 2006, \$240 million over the 2006-2010 period, and \$426 million over the next 10 years. Those increases would result primarily from provisions that

would increase fees for locating and recording new mining claims, establish a new schedule for annual fees charged to maintain existing claims, and authorize DOI to resume patenting of mining claims and to sell certain other federal land where mineral development has occurred.

Under the legislation, 30 percent of receipts from issuing patents and selling certain land would be available, without further appropriation action, for efforts to reclaim mining land and to support colleges, universities, and vocational schools that offer training in petroleum, mining, or mineral engineering. Based on historical spending patterns for similar programs, CBO estimates that such spending would total \$10 million in 2006, \$82 million over the 2006-2010 period, and \$100 million over the next 10 years. As a result, we estimate that enacting those provisions would reduce net direct spending by \$1 million in 2006, \$158 million over the 2006-2010 period, and \$326 million over the 2006-2015 period.